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17 UNITED STATES DISTRICT COURT

18 FOR THE CENTRAL DISTRICT OF CALIFORNIA

19 UNITED STATES OF AMERICA,

20 Plaintiff,

21 v.

22 PAUL RICHARD RANDALL,

23 Defendant.
24
25

No. 2:25-MJ-3689

GOVERNMENT'S OPPOSITION TO
DEFENDANT'S APPLICATION FOR
RECONSIDERATION OF COURT'S ORDER
OF DETENTION; EXHIBIT

26 Plaintiff United States of America, by and through its counsel
27 of record, the United States Attorney for the Central District of
28 California, Assistant United States Attorney Roger A. Hsieh, and

1 Department of Justice Assistant Chief Niall M. O'Donnell and Trial
2 Attorney Siobhan M. Namazi, hereby submits its Memorandum of Points
3 and Authorities in opposition to defendant PAUL RICHARD RANDALL's
4 Application for Reconsideration of the Court's Order of Detention.

5 The government's opposition is based on the Memorandum of Points
6 and Authorities contained herein, the files and records of this case,
7 as well as any other evidence or argument that the Court may wish to
8 consider at the hearing on this request.

9 Dated: July 8, 2025

Respectfully submitted,

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14 /s/

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1 MEMORANDUM OF POINTS AND AUTHORITIES

2 **I. INTRODUCTION**

3 After sustaining at least five convictions for fraud, serving
4 four different custodial sentences, and while awaiting trial for tax
5 evasion related to another health care fraud kickback scheme,
6 defendant PAUL RICHARD RANDALL ("defendant" or "RANDALL") engaged in
7 a brazen \$270 million Medi-Cal fraud and kickback scheme. At his
8 initial appearance, RANDALL argued for release on a \$100,000
9 unsecured bond signed by his son and then proposed putting up
10 property in Orange, California, as a secured bond. The Court
11 properly detained RANDALL based on the significant danger he poses to
12 community.

13 RANDALL now moves for reconsideration by proposing an additional
14 \$40,000 unsecured bond and points to medical conditions. RANDALL
15 proposes using the same property that he offered at his initial
16 appearance: property purchased with funds from RANDALL's current \$270
17 million Medi-Cal fraud scheme and put in the name of SoCal Trust, the
18 same entity RANDALL used to launder the proceeds of his -- at least --
19 - third consecutive health care fraud scheme. The additional
20 proposed \$40,000 unsecured bond does nothing to mitigate RANDALL's
21 significant danger to the community. His citation to additional
22 medical conditions also does not mitigate his danger to the community
23 -- financial crimes that he can easily commit through others as he
24 has done in the past with a telephone or computer. RANDALL also
25 fails to provide new evidence that overcomes the Court's finding that
26 the government met the low threshold to entitle it to a detention
27 hearing. RANDALL has not met his burden of raising new information
28 that was not previously considered by this Court warranting release

1 for a serial offender, and the Court should deny his motion for
2 reconsideration.

3 **II. FACTUAL BACKGROUND**

4 **A. Defendant's Prior Criminal Conduct**

5 The government described RANDALL's significant criminal history
6 spanning more than three decades in its motion for detention filed on
7 June 27, 2025, and reattaches its motion here. (See Exhibit 1.)

8 In 2012, RANDALL was convicted of his first fraud and kickback
9 scheme in this District based on his paying kickbacks to
10 chiropractors and physicians to refer workers' compensation patients
11 for spinal surgeries and on his creating invoices falsely inflating
12 the cost of spinal surgery hardware to be used in the surgeries,
13 which were then billed to the workers' compensation insurance
14 carriers. See United States v. Paul Randall, 8:12-cr-0023-JLS, Dkt.
15 4. RANDALL pleaded guilty to conspiracy to commit mail fraud, in
16 violation of 18 U.S.C. § 371. Id. His conduct was part of the
17 larger Pacific Hospital kickback scheme, which billed nearly \$580
18 million over eight years, about \$72.5 million a year. See
19 [https://www.justice.gov/usao-cdca/pr/five-people-including-two-](https://www.justice.gov/usao-cdca/pr/five-people-including-two-doctors-charged-kickback-schemes-involving-nearly-600-million)
20 [doctors-charged-kickback-schemes-involving-nearly-600-million.](https://www.justice.gov/usao-cdca/pr/five-people-including-two-doctors-charged-kickback-schemes-involving-nearly-600-million)

21 While on supervised release for his 2012 conviction, RANDALL
22 committed tax fraud in this District through a prescription referral
23 business and was later charged with three counts of tax evasion.
24 United States v. Paul Randall, 2:20-cr-0031. Specifically,
25 defendant, while on release for his prior conviction and despite his
26 prior conviction for mail fraud conspiracy, defendant agreed to refer
27 patients to providers in exchange for providers' writing
28 prescriptions for "expensive and medically unnecessary compound

1 drugs" reimbursed by health insurers. Id., Dkt. 37. RANDALL then
2 agreed that he would be paid 50% of net reimbursements to the
3 pharmacy paid by insurers for the prescriptions RANDALL obtained for
4 them. Id. RANDALL then had the pharmacy write the kickback checks
5 payable to persons RANDALL specified -- including one of RANDALL's
6 lawyers in the Pacific Hospital case -- without those individuals'
7 knowledge; RANDALL then cashed the checks, forging the individuals'
8 signatures, and avoided reporting on that income. Id. RANDALL was
9 then pleaded guilty to one count of tax evasion in violation of 26
10 U.S.C. § 7201, and was sentenced to 23 months in custody. Id., Dkt.
11 84.

12 Despite having had his bail revoked in 2017 for violating his
13 release conditions while awaiting sentencing in a health care
14 kickback case and a separate indictment returned in 2020 for tax
15 evasion from a separate health care fraud and kickback scheme,
16 RANDALL again flouted the terms of his release by engaging in the
17 instant conduct. Around the time RANDALL pleaded guilty in April
18 2022 for his tax evasion related to his second health care fraud and
19 kickback scheme, he engaged in a \$270 million scheme to defraud Medi-
20 Cal from May 2022 through April 2023 as detailed in the complaint
21 affidavit.

22 **B. RANDALL Uses Fraud Proceeds to Purchase the Proposed**
23 **Property in Orange, California as well as Millions of**
24 **Dollars in Other Assets**

25 RANDALL used fraudulent proceeds to acquire the property on E.
26 Grovewood in Orange, California, at auction in September 2023,
27 through SoCal Trust and using approximately \$3.4 million in funds
28 associated with the Medi-Cal fraud proceeds. The trustee listed on

1 the property through SoCal Trust was K.J., the same individual as
2 alleged in the affidavit that was used to launder the fraud proceeds
3 at defendant's direction.

4 The same attorney that RANDALL used in the fraud scheme as
5 alleged in the affidavit then setup another entity, Frample Family
6 LLC. The deed to the property was then transferred from SoCal Trust
7 to Frample Family LLC. RANDALL now proposes a surety by Mark
8 Randall. In October 2023, Mark Randall opened a bank account in the
9 name of Frample Family LLC at Wells Fargo Bank. Further, RANDALL's
10 phone at the time of his most recent arrest was also in the name of
11 Mark Randall. At the time that the government executed a search
12 warrant at the E. Grovewood property in November 2023, RANDALL's
13 vehicle, a 2018 black Tesla with license plate 8VFE450, which
14 defendant was captured on surveillance driving on several occasions,
15 was registered under the name of Mark Randall. During execution of
16 the search warrant at the E. Grovewood property, law enforcement
17 recovered from the Tesla evidence of the Medi-Cal fraud scheme, as
18 well as access devices under the name of "Richard P. Randall" and K.
19 J.¹

20 RANDALL also used the Medi-Cal fraud proceeds to purchase
21 millions of dollars in other assets², including the following:
22
23

24 ¹ Per the terms of his supervised release conditions, RANDALL
25 was prohibited from possessing access devices in another individual's
26 name.

27 ² As the government noted at the last bond hearing, it reserves
28 the right to request a Nebbia hearing as to any assets offered by
RANDALL in support of a bond package.

- 1 • 2020 Mercedes AMG purchased with more than \$100,000 in
- 2 fraud proceeds from a SoCal Trust account and titled in
- 3 Mark Randall's name
- 4 • Seven real properties purchased using Medi-Cal fraud scheme
- 5 proceeds valued at more than \$10 million
- 6 • \$1.8 million in sports memorabilia purchased using Medi-Cal
- 7 fraud proceeds

8 Notably, defendant did not report any of the above assets to
9 Probation as reflected in the Pretrial Services Report dated June 27,
10 2025.

11 In March and April of 2024, one of the SoCal Trust accounts used
12 to effectuate the Medi-Cal fraud effectuated large transactions to
13 Frample Family LLC.

14 **C. The Government is Informed Defendant Would Return to White**
15 **Memorial Hospital and Then a Facility in Pacoima,**
16 **California if Discharged**

17 On July 8, 2025, the government contacted the U.S. Marshals
18 Service, Court Operations, who informed them that if detained,
19 defendant would initially return to White Memorial Hospital, and if
20 defendant is discharged from White Memorial Hospital, that defendant
21 would be admitted to United Health, a skilled nursing facility in
22 Pacoima, California. Pacoima, California is within the Central
23 District of California.

24 **III. ARGUMENT**

25 **A. The Court Properly Held That the Government Was Entitled to**
26 **A Detention Hearing**

27 The Court rejected RANDALL's argument at his initial appearance
28 that the government was not entitled to a detention hearing.

1 Although RANDALL argues that he proposes new information to trigger a
2 hearing -- the additional \$40,000 unsecured bond and additional
3 medical information -- he does not propose new information as to why
4 the government is not entitled to a detention hearing. Instead,
5 defendant cites several cases in addressing risk of flight as to
6 detention, not as to the threshold question as to whether the
7 government is entitled to a detention hearing.

8 Indeed, the Court correctly found that the government was
9 entitled to a detention hearing and RANDALL offers no new basis for
10 reconsideration. Section 3142(f) mandates that a "judicial officer
11 shall hold a [detention] hearing . . . upon motion of the attorney
12 for the Government" or, in addition to the cases under (f)(2), "upon
13 the judicial officer's own motion." § 3142(f)(2) (emphasis added).
14 The use of the word "shall" implies a mandatory act, "which normally
15 creates an obligation impervious to judicial discretion." Lexecon
16 Inc. v. Milberg Weiss Bershad Hynes & Lerach, 523 U.S. 26, 27 (1998).
17 In other words, the statute's use of the word "shall" requires that
18 the judicial officer hold the detention hearing upon motion of the
19 government without regard to any particular burden of proof. Given
20 that "[t]he decision whether to hold a hearing occurs based on even
21 less information than a decision to detain or release," it follows
22 that the standard to invoke the detention hearing should be much
23 lower. United States v. Singleton, 182 F.3d 7, 12 (D.C. Cir. 1999).
24 "[A] detention order is based on a hearing, while an order to hold a
25 hearing is based on a proffer of what the hearing might establish."
26 Id.

27 "[T]he government or Court need only express their belief" that
28 a valid ground under § 3142(f) exists for a detention hearing.

1 United States v. White, 2018 WL 5291989, at *4 (N.D. Cal. Oct. 19,
2 2018); see also United States v. Powers, 318 F. Supp. 2d 339, 341
3 (W.D. Va. 2004) (explaining that the standard to trigger a detention
4 hearing occurs when the "United States or the court believes there is
5 a serious risk of flight").

6 As the government argued in its previous brief and at the
7 initial appearance, there is a serious risk that RANDALL will flee.
8 Despite a significant criminal history, it appears that RANDALL has
9 not been sentenced to more than 36 months in custody. Here, he faces
10 significant prison time, including a decade or more for committing
11 the instant crime while on pre-trial release. See 18 U.S.C. § 3147.

12 The likelihood of a significant sentence provides RANDALL an
13 incentive to flee. See United States v. Townsend, 897 F.2d 989, 995
14 (9th Cir. 1990) ("[c]onsideration of the nature of the offenses
15 charged involves consideration of the penalties"); United States v.
16 Possino, No. CR 13-00048, 2013 WL 1415108, at *4 (C.D. Cal. Apr. 8,
17 2013) ("The weight of the evidence against [defendant] is strong.
18 Defendant's awareness of a potentially lengthy prison sentence and
19 the perception of a likely conviction constitute powerful motivations
20 to flee."). These factors weigh towards defendant's detention. See
21 United States v. Al-Arian, 280 F. Supp. 2d 1345, 1358 (M.D. Fla.
22 2003) ("the stronger the government's case, especially if the
23 sentence will be severe, the greater a defendant's incentive to
24 flee"). RANDALL has also unverified and unreported financial
25 resources, including millions of dollars in assets purchased using
26 fraud scheme proceeds, that provide additional evidence that he is a
27 serious risk of flight. RANDALL has not provided any new evidence
28 that the government is not entitled to a detention hearing.

**B. The Proposed Additional \$40,000 Unsecured Bond and
Additional Medical Information Do Not Mitigate Defendant's
Significant Danger to the Community**

The additional \$40,000 unsecured bond proposed by RANDALL does nothing to mitigate his significant danger to the community. See United States v. Rodriguez, 950 F.2d 85, 89 (2d Cir. 1991) (noting a "security bond, cosigned by two financially responsible persons, strict pretrial service agency supervision and restriction of travel" and the "existence of four cosigners and \$10,000 cash may assure the appearance of [Defendant] at trial but will not secure the safety of the community") (emphasis added). Even if confined to his home, RANDALL could still perpetrate his fraud schemes with the use of a telephone or computer as evidenced by his prior fraud schemes. Moreover, as alleged in the complaint, RANDALL's modus operandi is to effectuate his criminal conduct through other individuals, including K.J. and his attorney. None of the accounts involved in the Medi-Cal fraud scheme or assets purchased using fraud scheme proceeds are under RANDALL's name. Confining RANDALL to his home would do nothing to deter RANDALL from continuing to perpetrate crimes through other individuals.

The additional medical information also does not mitigate his danger to the community. See, e.g., United States v. Marino, 731 F. Supp. 2d 323, 327 (S.D.N.Y. 2010) (denying release pending trial for 69-year-old defendant with likely atherosclerosis, mild stroke, cardiac rhythm problem, transient ischemic attack, and risk of stroke due to danger and noting BOP is responsive to defendant's situation). RANDALL's current physical condition does not provide an independent basis to release him. To the contrary, on June 26, 2025, the date of

1 his arrest, agents observed RANDALL walk into the U.S. Probation
2 Office without any assistance from another individual or from a cane,
3 wheelchair, or other ambulatory device. In addition, the week prior
4 to RANDALL's arrest in June 2025, law enforcement observed RANDALL
5 driving his vehicle out of his residence. Even if RANDALL was
6 bedbound, he could continue to carry out massive fraud schemes.

7 **C. Defendant Has Failed to Make a Due Process Claim, and He**
8 **Should Not Be Released Under 18 U.S.C. § 3142(i)**

9 The right to counsel is not absolute. The Supreme Court has
10 recognized that the "core purpose" of the counsel guarantee is to
11 assure aid at trial, "when the accused [is] confronted with both the
12 intricacies of the law and the advocacy of the public prosecutor."
13 United States v. Gouveia, 467 U.S. 180, 188, (1984).

14 Here, RANDALL's due process arguments are premature. It
15 appears that RANDALL has not yet been assigned a detention facility
16 for the pendency of this case. Once RANDALL is assigned a facility
17 pending trial, the BOP will provide him access to counsel. After
18 that time, RANDALL can, if needed, raise potential concerns with the
19 BOP, and if needed, the District Judge and government regarding the
20 trial schedule. Further, as noted above, the U.S. Marshals Service,
21 Court Operations, informed the government on July 8, 2025, that if
22 detained, defendant would initially return to White Memorial
23 Hospital, and if defendant is discharged from White Memorial
24 Hospital, that defendant would be admitted to United Health, a
25 skilled nursing facility in Pacoima, California.

26 RANDALL's arraignment is not until July 17, 2025, and there is
27 no trial date yet. Any temporary release under 18 U.S.C. § 3142(i)
28 would be premature, and RANDALL cannot show that release is necessary

1 for preparation of his defense or that the BOP cannot accommodate any
2 of his medical conditions.

3 **IV. CONCLUSION**

4 RANDALL's proposal of an additional \$40,000 unsecured bond is
5 woefully insufficient to mitigate his risk of flight and demonstrated
6 danger to the community while on pretrial release. Because RANDALL
7 has failed to meet his burden on his motion for reconsideration, the
8 government respectfully requests that the Court deny defendant's
9 motion.